



**UNIVERSITI PUTRA MALAYSIA**

**MANAGING TRAINING IN ISO 9002 :  
A TRAINING NEED ANALYSIS OF OFFICERS IN  
DIRECT ACCESS, A DIVISION OF SOUTHERN BANK BERHAD**

**NORIZAN BINTI HAJI AZIZAN**

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By

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APRIL 1998

Supervisor: Dr. Bahaman Abu Samah

Faculty: Educational Studies

This study was conducted to determine the training needs of the officers in Direct Access in line with its mission to achieve the “best-in-class” quality service standards benchmarked against ISO 9000 standards. The main focus was to determine the degree of understanding of officers on the work processes as documented in the quality system of Direct Access as required under ISO 9002 and the level of importance to their work.

Respondents selected for this study were all Deputy Manager, Assistant Managers, Senior Officers, Class A Officers and Class B Officers who were directly involved in the ISO 9002 process as documented in Direct Access’s quality systems. A

structured questionnaire based on the ISO 9002 standard was constructed and distributed to all respondents. Twelve out of nineteen elements of ISO 9002 covering the necessary work processes were included in the questionnaire. They were picked based on the relevance to the respondents' work as documented in the quality systems. Analysis on the information gathered were done using SPSS to get the frequencies, percentages, mean and standard deviation. The training need was determined by using the mean to identify the gap between the degree of understanding and the level of importance. A "gap index" was applied as the gap indicator

The training needs analysis indicated that majority of the respondents perceived all quality tasks according to the relevant elements of ISO 9002 presented in the questionnaire as of high importance to their work. However, in terms of the degree of understanding, the findings revealed that most of the respondents did not have a good understanding of the work processes as required. These work processes according to the ISO 9002 elements included Management Responsibility, Quality System, Contract Review, Document and Data Control, Product Identification and Traceability, Process Control, Control of Non-Conforming Products and Control of Quality Records.

The "gap index" identified the tasks under the following six elements which would require training: Contract Review, Control of Customer Supplied Products, Document and Data Control, Process Control, Corrective and Preventive Action, and Control of Non Conforming Product.

The findings highlighted the importance of effective training on quality awareness before the implementation of ISO process to all staff. All staff should be made aware of the purpose of the ISO 9002 implementation and their roles to ensure that the implementation would be successful. Refresher courses were thus recommended to be conducted continuously with emphasis given on the identified work processes or elements so that all staff would acquire the necessary knowledge to perform effectively as required.

Abstrak yang dikemukakan kepada Jabatan Pendidikan Pengembangan, Fakulti Pengajian Pendidikan, Universiti Putra Malaysia sebagai memenuhi sebahagian daripada keperluan untuk Ijazah Master Sains

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Oleh

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APRIL 1998

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Kajian ini dijalankan untuk mengenalpasti keperluan latihan bagi pegawai di Direct Access sejajar dengan matalamatnya untuk mencapai tahap perkhidmatan yang berkualiti berdasarkan ISO 9000. Fokus kajian ini adalah untuk mengenalpasti tahap kefahaman pegawai tentang proses kerja yang telah didokumenkan di dalam sistem kualiti Direct Access sepertimana yang dikehendaki oleh ISO 9002 dan tahap kepentingannya di dalam tugas mereka.

Responden terdiri daripada Pemangku Pengurus, Penolong Pengurus, pegawai senior, pegawai kelas A dan pegawai kelas B yang terlibat secara langsung di dalam menjalankan proses kerja berdasarkan ISO 9002 seperti yang telah didokumenkan di dalam sistem kualiti Direct Access. Soalan bagi kajiselidik ini telah dibentuk

berdasarkan ISO 9002 dan diedarkan kepada semua responden. Dua belas elemen merangkumi proses kerja yang terlibat telah dipilih untuk dimasukkan di dalam soal kaji selidik. Elemen-elemen ini dipilih berdasarkan perkaitan dengan tugas kerja pegawai seperti yang telah didokumenkan. Analisis ke atas maklumat yang telah dikumpul dijalankan dengan menggunakan SPSS untuk mendapatkan kekerapan, peratusan, purata dan sisihan piawai. Keperluan latihan ditentukan dengan menggunakan purata bagi melihat jurang di antara tahap kefahaman dan kepentingan. “Indeks jurang” digunakan sebagai penentu jurang latihan.

Analisis keperluan latihan ini menunjukkan sebahagian besar responden menganggap proses kerja mengikut elemen tertentu di dalam soal kaji selidik sebagai penting di dalam tugas kerja mereka. Walaubagaimanapun, responden tidak mempunyai tahap kefahaman yang baik di dalam proses kerja mengikut ISO 9002. Proses kerja yang telah dikenalpasti mengikut elemen ISO 9002 termasuk Tanggungjawab Pengurusan, Sistem Kualiti, Kajian Semula Kontrak, Dokumen dan Kawalan Data, Pengenal dan Kemudahkesanan Produk, Kawalan Proses, Pengawasan Produk Yang Tidak Mematuhi Spesifikasi dan Kawalan Rekod Kualiti.

Penggunaan “indeks jurang” telah mengenalpasti proses kerja di bawah enam elemen berikut sebagai memerlukan latihan: Kajian Semula Kontrak, Kawalan Dokumen Yang Dikemukakan Oleh Pengguna, Dokumen dan Kawalan Data, Kawalan Proses, Tugas Pembetulan dan Pencegahan and Pengawasan Produk Yang Tidak Mematuhi Spesifikasi.

Daripada hasil kajian ini, dapat dilihat kepentingan latihan yang berkesan untuk menyedarkan kakitangan tentang kualiti sebelum ISO 9002 dilaksanakan. Semua kakitangan perlu mengetahui tujuan pelaksanaan ISO 9002 dan tanggungjawab mereka bagi menjayakan pelaksanaan tersebut. Kursus ulangan perlu dijalankan secara berterusan dengan penekanan di dalam proses kerja atau elemen yang telah dikenalpasti supaya dapat membekalkan pengetahuan tertentu kepada kakitangan bagi menjalankan tanggungjawab mereka dengan cemerlang seperti yang dikehendaki.



# **CHAPTER I**

## **INTRODUCTION**

### **BACKGROUND OF THE STUDY**

The roots of Southern Bank Berhad can be traced back to the year when Malaysia was formed in 1963. The Bank was initially incorporated under the name of Southern Banking Limited with an initial paid up capital of RM40,000. In 1965, business commenced with a modest beginning encompassing of only 1 branch and 4 departments. During the year, the Bank's paid up capital was beefed up to RM7.2 million and has grown gradually since then. In the words of the Bank's Chief Executive Director, Dato' Tan Teong Hean .

Over a period of two decades, the Bank has transformed itself. From a small beginning, with 30 staff and 1 branch, we have grown just as Malaysia has grown in these intervening years. No longer a lightweight, we are a force to be reckoned with in the Banking industry.....while we remember the past and recall with pride our growth and contribution in the nation's economy, it is without doubt that there are challenges ahead which will stringently test our skills and ability to adapt and change with the times..... the Bank has yet greater heights to scale.

(Southern Bank Berhad, Training Manual  
For Trainee Officers, 1987)

Southern Bank Berhad is a diversified financial services group. The group offers a comprehensive range of commercial banking, finance, securities trading, fund management, unit trusts, venture capital, nominee and other finance related services. As Malaysia moves towards the 21st century, the Southern Bank Group is well poised to take advantage of its strengths to play a growing and vital role in driving the nation's development. Over the years, the Group grew rapidly to a total of 76 online branches comprising of 53 Bank and 23 Finance branches strategically located throughout Malaysia. Its distribution channel was enhanced in 1995 when its direct banking service was introduced (Southern Bank Berhad Annual Report, 1995).

With the rapidly changing financial and capital markets, it has become necessary to continuously review and reshape the Bank's business approaches and strategies. Direct banking is the Bank's strategy in facing today's fierce competition in the financial industry. Direct Access, a division of Southern Bank Berhad, is Malaysia's first round-the-clock true **direct banking** service. Responding to the changing lifestyles of customers, Direct Access aims to meet the customers' needs of an extended and convenient banking service through a 24-hour, seven-days-a-week personal banking service over the telephone.

Direct Access provides an alternative delivery channel catering to customers who are time conscious and mobile, allowing them to perform retail based banking transactions 24 hours a day, everyday through the telephone, and allowing the Bank to provide its services more efficiently and

at lower costs than those associated with the traditional channels. Direct Access seeks to build and nurture lasting relationships with its customers, through the strength of its people, network and services, and wealth of experience in the financial and business world. To increase efficiency and productivity, Direct Access has concentrated and committed itself on the quality of service provided to customers benchmarked against ISO 9000 standards.

Business has probably never been tougher. Survival has now become the boardroom issue for discussion. Faced with this new world of even tighter trading conditions, it became the vogue to promote human resource development and dedication to market needs. Changes have forced the financial sector to brace itself for more intense competition. For Direct Access to look forward with confidence in its ability to move ahead to meet the challenges, it has to ensure that its staff are equipped with the state of technological knowledge and knowhow to cope effectively and efficiently. Thus, enhancement to their knowledge, skills and expertise is a must to offer innovative products and provide quality service to global standards. The challenges ahead are increasingly demanding and great, and the quality of Direct Access's workforce will make the difference in enabling it to realize its missions and objectives. Therefore, Direct Access has moved a step ahead of its competitors by implementing a total quality management benchmarked against the ISO 9000 Standard in order to achieve the "best-in-class" service quality standards.

As the 21st century moves closer, organizations are becoming more aware of the competitive advantage that competent and committed people bring to the workplace. Rapid technological advancement coupled with the growing complexity of the society, as well as the increasing uncertainty in the economic and business environment demand for more serious efforts to develop the human resource in the organizations, and to improve the value of people's judgment, creativity and thinking (Mondy 1996). In today's complex and everchanging environment, people are a strategic resource. Their goals, attitudes toward work and performance are crucial to the success and survival of any organization. As such, the organizations must take steps to ensure that their workforce is competent and capable of performing to achieve the organization's goals and missions. One of the objectives of an organization should be to provide opportunities for its employees to optimize their performance in pursuit of the organization's goals. Thus, the organization must be able to provide a learning environment in its organization to enhance employees' knowledge, skills, attitudes and competencies, among other changes.

For learning to take place, the organization must educate, train and develop its workforce. Education in workplace seeks to maximize organizational effectiveness through the enhancement of the employee competence. A well trained and skillful workforce can increase the productivity and efficiency of an organization. Without a pool of competent and dedicated employees, no organization can expand to greater heights.

Increasingly organizations recognize that quality service is a powerful competitive strategy (Denton: 1994) and would be a differentiating factor from competitors in the financial industry

Like any other organizations, Direct Access is also aware that it must utilize its employees' strengths and talents to the optimum level in order to remain competitive. Direct Access must be able to face today's business world challenges in order to achieve the highest return on the investment of its resources, and continue to find ways to manage the most important resource, that is the human capital, successfully and effectively

The structure in Direct Access shows the responsibility and authority of the different levels of management. The total workforce in Direct Access as of January 1998 is 171, comprising of the following:

- (1) Senior Manager, who is responsible for the overall management of the division,
- (2) Six departments heads who report directly to the Senior Manager:  
 Manager of Marketing & Product Development, Manager of Credit & Risk Management, Deputy Manager of Information Technology, Deputy Manager of Customer Service Processing, Assistant Manager of Customer Service Telephony and Assistant Manager of Planning & Finance;
- (3) 5 Assistant Managers of whom 4 report to the Manager of Credit & Risk Management and the other reports to the Deputy Manager of Information Technology.

- (4) 10 Senior Officers who are Team Leaders of respective units.
- (5) 75 Class A Officers and 9 Class B Officers from various departments;  
and
- (6) the other 65 include Confidential Stenographers, Confidential Officers, Computer Operators, clericals and non-clericals from various departments

The Credit & Risk Management department is divided into five (5) different units as follows, headed by the 4 Assistant Managers:

- (1) Property Financing which includes housing loans and commercial loans;
- (2) Share Margin Financing which handles and trades in the share market upon customers' instructions,
- (3) Collection unit handles the collection of overdue and non-performing or delinquent accounts,
- (4) Credit Card unit processes all credit card applications; and
- (5) Unsecured Facility or better known as "Overdraft" is also under the same supervision as the Credit Card unit.

## **THE MISSION, POLICY & OBJECTIVES**

The mission of Southern Bank Berhad is to provide the "Best-in-Class" service quality standards through commitment to customer service excellence. In order to achieve and maintain this service quality standards, the

Bank has embarked on the journey towards a Total Quality Management philosophy benchmarked against the ISO 9002 Standard, starting with Direct Access. In line with the Bank's mission, Direct Access is striving to offer the best service to its customers by being accessible at their convenience, delivering its services and decisions with speed and offering innovative products to them.

Specific quality objectives have been defined and set up to ensure that customers are satisfied with the service provided by Direct Access. These include delivering credit cards and implementation of facility applied by customers within a specified time frame. The above mission and objectives can be achieved by several means by practicing the documented procedures, by understanding and supporting the quality policy and the system and also by providing quality in all that the Bank does. Other means include competitive pricing of products and services, innovative use of technology, ongoing process improvement and training.

In a quality environment, all activities that affect quality, from the development of a quality plan to the design of the product through the processing of inputs to produce the final products, must be properly and thoroughly documented as practiced. ISO requires that "you document all that you do" and "do all that you document". All workers involved thus, must be fully knowledgeable in their respective tasks or processes. As such, they must be well trained to satisfy the requirements of the Standard.

Training is one of the most important aspects in the standards that must be undertaken and given emphasis continuously, in every facet, in every activity (Rothery, 1993). In other words, the standards put an emphasis on training in all aspects of quality. Training begins even before the documentation is in place. The writers, though knowledgeable in their own work processes, must be properly trained in the ISO Standards in order to produce documented procedures which conform to all the requirements of the Standards. It is a very tedious process as the work processes need to be identified and linked according to the relevant elements of ISO Standards. To do so, they must be well-versed with the ISO Standards; thus, effective training plays a vital role in equipping them with the required understanding and knowledge of the ISO Standards.

Training programs are designed to achieve the goals and specified needs of the organization, job and also the individual worker. In practice, most training programmes are conducted without a thorough analysis of these needs (Juhary and Mirza, 1995). In order to attain the ISO 9002 certification, Direct Access has engaged an external consultancy firm to assist in the ISO project, from the initial stage right through the final phase of the process. A master plan was initially designed to put in place the four phases of the quality system work processes as follows:

Phase I: Evaluate and design the most suitable quality system for Direct Access.

Phase II: Detail and write the quality system documentation.



Phase III: Train management and staff and implement the quality system.

Phase IV: Certification and continue with the surveillance to ensure conformance to the Standard's requirements.

Direct Access has managed to complete phases I, II and III within six months. Initially, the management and selected staff went for an orientation on the ISO 9000 Standards. The staff who participated in the project were from various departments and were experts in their respective areas. They were divided into smaller units known as the quality action and improvement task forces. Each unit was assigned and responsible for preparing the documentation for a specific product. The documents were audited by the internal quality auditors to ensure that they conformed to the requirements of the Standard. Once completed, the implementation phase came into the picture, whereby all staff who were involved were briefed on the quality system and the documents relating to their work processes.

Various training programmes, from quality awareness to process improvement, were conducted by the external consultants. All staff were required to attend almost all the training programmes regardless as to whether they were involved in the quality related activities or not. After all, quality is everyone's business in Direct Access. During the compliance internal quality audit exercise, more than thirty (30) observations and non-conformities were raised (Direct Access, 1998), thus showing a weakening side of the staff. Most of the work processes carried out were either not performed according to the documented procedures or performed but not documented in the